



To: Arizona Corporation Commission
 From: Robert L. Jones, Director, Property Owners and Residents Association (PORA), Sun City West, Arizona 85375
 623-214-0761

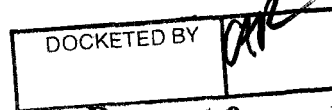
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ARIZONA CORPORATION COMMISSION
 DIRECTOR OF UTILITIES



Arizona-American Water Company Request for an Increase in Rates

The Sun City and Sun City West Water and Wastewater Districts and the Agua Fria Water District have requested an increase in rates for the following districts in the amount shown below. Also shown below are increases or decreases recommended by the Residential Utility Consumer Office (RUCO) and the Arizona Corporation Commission (ACC) staff.

District	AZ-American Requested Increase	RUCO Recom.	ACC Staff Recom.
<u>Sun City Water District</u>			
Revenue Increase	\$5,371,806	\$1,963,334	\$1,928,696
Percentage Increase	86.74%	31.70%	31.14%
<u>Sun City Wastewater District</u>			
Revenue Increase/Decrease	\$639,391	(\$894,775)	(\$807,040)
Percentage Increase	12.57%	-17.58%	-15.86%
<u>Sun City West Water District</u>			
Revenue Increase	\$1,482,414	\$479,708	\$388,829
Percentage Increase	43.85%	14.19%	11.50%
<u>Sun City West Wastewater District</u>			
Revenue Increase	\$1,965,956	\$1,027,392	\$1,128,067
Percentage Increase	55.60%	29.06%	31.91%
<u>Agua Fria Water District</u>			
Revenue Increase/Decrease	\$420,442	(\$613,371)	(\$872,322)
Percentage Increase	6.62%	-9.92%	-14.10%

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Comments

1. The date which rates were last set was August 20, 1998.
2. ACC Staff recommendations for Sun City West residential customers are as follows:
 - a. SCW water average usage 7,171 gal. current monthly bill is \$11.67. Staff recommended increase is \$13.42, which is a 14.99% increase.
 - b. SCW water average usage 6,000 gal. current monthly bill is \$10.58. Staff recommended \$12.05, which is a 13.89% increase.
 - c. SCW wastewater current monthly bill is \$16.24. Staff recommended \$21.45, which is a 32.08% increase.

Summary

Rate recommendations of RUCO and the ACC staff are in general agreement. However, the difference between what Arizona American requests and what the average recommendation of RUCO and the ACC Staff varies from a high of 55.32% to a low of 18.63%.

PORA should recommend to its members that they support the recommendations of the ACC Staff and RUCO in terms of rate increases and decreases. This appear to be reasonable in light of the fact that there has been no rate increase since 1998. It should also be pointed out that telephone customer service from the water and wastewater provided in the service area of Sun City, Sun City West and Youngtown has greatly diminished since the it was moved from Sun City to Illinois.